



# Ubuhlebezwe Municipality

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## Service Delivery Budget Implementation Plan

2016/17 Financial Year





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## FOREWORD BY HIS WORSHIP THE MAYOR

Our Service Delivery and Budget Implementation Plan (SDBIP), commits the uBuhlebezwe Local Municipality, to meeting specific service delivery and budget spending targets. The targets contained within this document will outline, how the uBuhlebezwe Local Municipality, will implement the objectives set out in the Integrated Development Plan (IDP).

The IDP is regarded as the agreed plan between the community and the uBuhlebezwe Local Municipality, and will guide our spending patterns, which will entail “where and on what” principle. This plan is the incorporation of the entire municipal area and not just for specific areas. Our IDP is also guided by the Constitution, which gives specific powers, functions and responsibilities to local government.

This segregation of responsibilities between the spheres government is very important to understand, because, as the local municipality we are responsible for certain services for example roads, traffic safety, urban planning, by-law enforcements, housing, electricity distribution, waste management treatment, tourism, and water and sewerage systems, whilst the backlogs in schools, hospitals and police services, for example is the responsibility of the Provincial governments.

After consulting widely with our community, and careful consideration of the challenges within our Municipality, we have decided that the main focus areas of the IDP, and therefore the SDBIP should be tourism, housing, and economic growth led infrastructure.

We believe, that if we don't invest in better services and infrastructure, new opportunities and investments will be comprised, and our challenges of create more jobs to address the high unemployment rate will not be materialized. For this reason, our SDBIP and IDP will focus primarily on making our municipality more efficient, and effective in service delivery, by managing our resources and employing the correct staff capacity.

Approved by the Mayor

Date: 26 May 2016

His Worship

Z D Nxumalo

**THE MAYOR**

**Ubuhebezwe Municipality**

## 1.1 Vision, Mission & Core Values

### *Vision*

***“To improve the quality of life of all its citizens by providing basic affordable services, a safe and healthy environment, eradication of poverty and maintaining the scenic beauty of this land. ”***

### *Mission*

***“Ubuhlebezwe Municipality will strive to deliver an appropriate level of services to all our citizens by the year 2025 and alleviate poverty by promoting sustainable development whilst providing good governance and being transparent and accountable to the public.”***

## 1.2 Legislative Mandates

In terms of Section 53 (1) (c) (ii) of the Municipal Finance Management Act, Act No 53 of 2003, the Service Delivery Budget and Implementation Plan is defined as a detailed plan approved by the Mayor of a Municipality for implementing the Municipality's delivery of municipal services and its annual budget, and must indicate the following:

- (a) projections for each month of –
  - (i) revenue to be collected, by source; and
  - (ii) operational and capital expenditure, by vote.
- (b) service delivery targets and performance indicators for each quarter, and
- (c) any other matters prescribed.

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According to Section 53(c)(ii) of the Municipal Finance Management Act, the Mayor is expected to approve the Service Delivery Budget Implementation Plan within 28 days after the approval of the budget. In addition, the Mayor must ensure that the revenue and expenditure projections for each month and the service delivery targets and performance indicators as set out in the Service Delivery Budget Implementation Plan are made public within 14 days after their approval.

As per Municipal Finance Management Act Circular No 13, National Treasury currently prefers not to prescribe other matters to be included in the Service Delivery Budget and Implementation Plan. This is to ensure good governance and accountability on the part of Municipalities. However, there are five minimum requirements that the National Treasury requires to form part of the Service Delivery Budget and Implementation Plan (Municipal Finance Management Act Circular No. 13). These are outlined below:

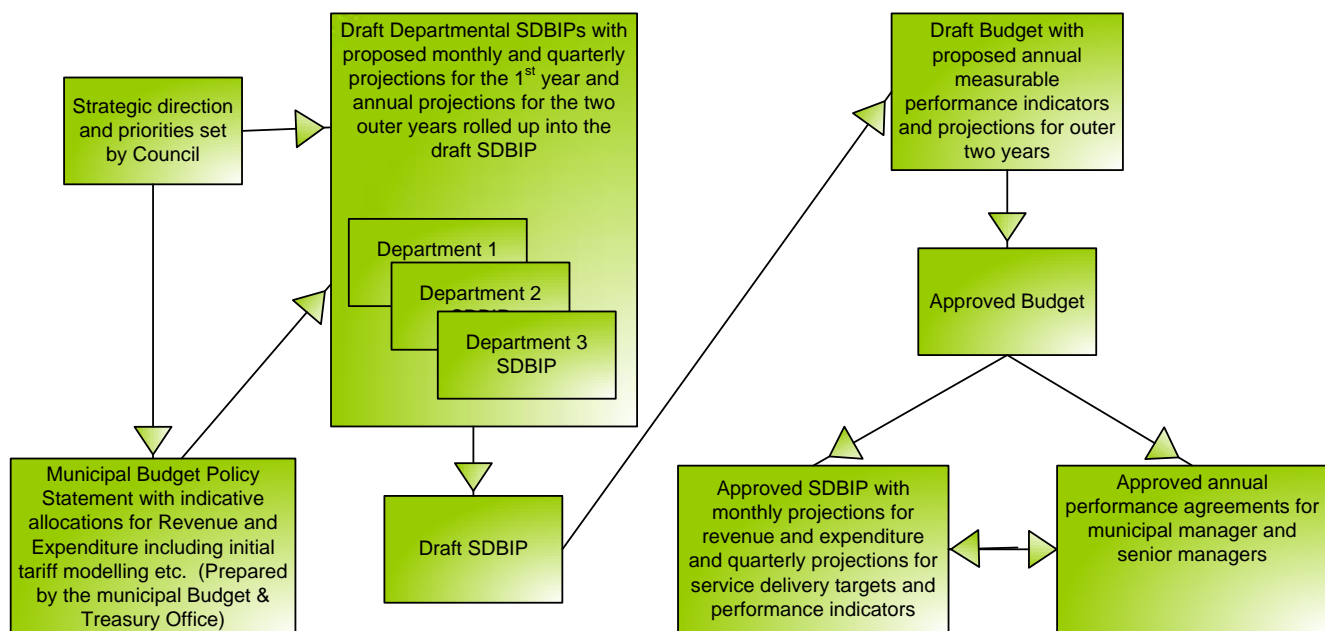
1. Monthly projections of revenue to be collected by source;
2. Monthly projections of expenditure (operating and capital) and revenue for each vote;
3. Quarterly projections of service delivery targets and performance indicators for each vote;
4. Ward information for expenditure and service delivery; and
5. Detailed capital works plan broken down by ward over a 3-year period.

In terms of the Municipal Finance Management Act, a Vote is a Department or a functional area of a Municipality and represents the various levels at which the Council approves the budget.

As indicated by the National Treasury in Municipal Finance Management Act Circular No 13, the biggest challenge for Municipalities is to develop meaningful non-financial service delivery targets and indicators.



### 1.3 The SDBIP Process at UBuhlebezwe Municipality



**Figure 1: SDBIP Process**

The Service Delivery and Budget Implementation Plan is a consolidated document, which incorporates and takes into account information contained in the Integrated Development Plan of the Municipality, Operational Plans for each Department and the budget statements for each Department within the Municipality. Resultantly, the completion of the Service Delivery and Budget Implementation Plan hinges on the finalisation of the above documentation.

The uBuhlebezwe Municipality began its budgeting process during the 2015 year, in which input into the Departments' strategic objectives and outputs for the 2016/2017 budget year were gathered and formed the basis of the individual Departmental scorecards.

Assigned to these strategic objectives and outputs were a set of targets, which the Municipal Officials viewed as vital to achieve in order to meet the service delivery requirements of the uBuhlebezwe Community.



With all the relevant information needed for the Service Delivery and Budget Implementation Plan, work began to fulfill the requirements of Section 53 of the Municipal Finance Management Act. Initially, meetings were held with the relevant Departmental heads and staff, in which their scorecards and budget statements for 2016/2017 year were discussed. These discussions facilitated the alignment of the strategic objectives and outputs to the budget statements, allowing for expenditure to be projected across the 2016/2017 year in terms of the service delivery targets set for the strategic objectives and outputs.

A Three year detailed Capital Works Plan was also compiled, which is a fair projection of capital expenditure to be incurred by the Municipality. Once complete, the above information was consolidated into the Service Delivery and Budget Implementation Plan.

## 1.4 Strategic Outcomes

STRATEGIC OBJECTIVE NO.	Strategic Objectives
01	To improve the performance and functioning of the municipality.
02	To develop staff to ensure effective service delivery through trainings.
03	To promote accountability to the citizens of UBuhlebezwe
04	To ensure provision, upgrading and maintenance of infrastructure and services that enhances socio-economic development.
05	To promote culture of learning and enhance social development (illiteracy, skill, talent, education).
06	To Practice sound financial management principles.
07	To improve safety and security within the municipal environment
08	To improve sustainable economic growth and development
09	To invest in the development of the municipal area to enhance revenue
10	To facilitate spatial development in the entire area of UBuhlebezwe and at the same time achieve economic social and environmental sustainability

**Figure 1: Strategic Outcomes**



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**1. MONTHLY PROJECTIONS OF REVENUE TO BE COLLECTED BY SOURCE**

Choose name from list - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousand</b>	1										
<b>Revenue By Source</b>											
Property rates	2	8,298	12,410	12,349	12,980	12,983	23,441	23,441	15,754	16,542	17,369
Property rates - penalties & collection charges		-	539	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	1,272	1,478	1,454	1,878	1,878	1,793	1,793	1,991	2,090	2,195
Service charges - other		-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		208	856	811	474	479	1,102	1,102	500	525	551
Interest earned - external investments		2,864	3,793	5,456	3,000	4,500	6,599	6,599	4,000	4,200	4,410
Interest earned - outstanding debtors		-	-	-	-	-	-	-	-	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines		147	188	264	200	200	1,191	1,191	250	263	276
Licences and permits		3,144	3,234	3,507	3,020	3,520	3,452	3,452	3,560	3,738	3,925
Agency services		609	-	-	700	700	803	803	720	756	794
Transfers recognised - operational		64,778	71,011	80,757	90,100	90,100	88,775	88,775	95,039	99,791	104,780
Other revenue	2	917	1,186	1,675	191	493	713	713	279	292	307
Gains on disposal of PPE		192	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>82,428</b>	<b>94,696</b>	<b>106,273</b>	<b>112,543</b>	<b>114,853</b>	<b>127,870</b>	<b>127,870</b>	<b>122,092</b>	<b>128,197</b>	<b>134,606</b>
<b>Expenditure By Type</b>											
Employee related costs	2	-	-	33,657	50,975	54,029	50,975	-	60,566	63,595	66,774
Remuneration of councillors		5,633	6,893	7,180	7,556	7,556	7,655	7,655	9,855	10,348	10,865
Debt impairment	3	1,435	4,835	5,218	1,700	1,700	1,700	1,700	1,900	1,995	2,095
Depreciation & asset impairment	2	16,421	12,610	16,627	18,000	18,000	18,000	12,840	19,000	19,950	20,948
Finance charges		133	101	57	-	-	-	-	-	-	-





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Bulk purchases	2	-	-	-	-	-	-	-	-	-	-
Other materials	8	1,828	2,762	2,339	4,311	4,299	2,810	2,810	2,994	3,143	3,300
Contracted services		1,864	4,405	4,962	6,073	6,684	3,666	3,666	6,484	-	-
Transfers and grants		1,935	1,115	1,514	2,465	2,465	2,465	1,644	4,435	4,657	4,890
Other expenditure	4,5	23,096	20,699	21,969	30,893	30,711	28,554	28,554	29,462	30,935	32,482
Loss on disposal of PPE		6,167	375	3,095	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>58,512</b>	<b>53,796</b>	<b>96,620</b>	<b>121,973</b>	<b>125,444</b>	<b>115,825</b>	<b>58,870</b>	<b>134,696</b>	<b>134,623</b>	<b>141,354</b>
<b>Surplus/(Deficit)</b>		<b>23,916</b>	<b>40,900</b>	<b>9,653</b>	<b>(9,430)</b>	<b>(10,591)</b>	<b>12,045</b>	<b>69,000</b>	<b>(12,604)</b>	<b>(6,426)</b>	<b>(6,748)</b>
Transfers recognised - capital		16,982	28,052	60,238	73,624	88,624	88,030	88,030	58,280	61,194	64,253
Contributions recognised - capital	6	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>40,899</b>	<b>68,952</b>	<b>69,891</b>	<b>64,194</b>	<b>78,033</b>	<b>100,075</b>	<b>157,030</b>	<b>45,675</b>	<b>54,767</b>	<b>57,506</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>40,899</b>	<b>68,952</b>	<b>69,891</b>	<b>64,194</b>	<b>78,033</b>	<b>100,075</b>	<b>157,030</b>	<b>45,675</b>	<b>54,767</b>	<b>57,506</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>40,899</b>	<b>68,952</b>	<b>69,891</b>	<b>64,194</b>	<b>78,033</b>	<b>100,075</b>	<b>157,030</b>	<b>45,675</b>	<b>54,767</b>	<b>57,506</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>40,899</b>	<b>68,952</b>	<b>69,891</b>	<b>64,194</b>	<b>78,033</b>	<b>100,075</b>	<b>157,030</b>	<b>45,675</b>	<b>54,767</b>	<b>57,506</b>



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**2. KZN434 UBUHLEBEZWE - SUPPORTING TABLE SB12 BUDGETED MONTHLY REVENUE AND EXPENDITURE (MUNICIPAL VOTE)**

Choose name from list - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>Revenue by Vote</b>	-															
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		53,977	379	427	333	30,602	337	433	778	22,923	200	745	1,023	112,155	117,763	123,651
Vote 3 - CORPORATE SERVICES		18	13	46	18	18	18	18	19	19	23	12	29	250	263	276
Vote 4 - COMMUNITY AND SOCIAL SERVICES		80	81	91	86	133	107	91	89	99	23	111	31	1,022	1,073	1,126
Vote 5 - SPORTS AND RECREATION / PARKS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		358	365	354	371	380	315	393	377	328	263	404	(132)	3,775	3,964	4,162
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PLANNING AND DEVELOPMENT		10	2	67	2	8	1	6	29	6	3	1	0	135	142	149
Vote 9 - ROADS TRANSPORT		416	6,196	3,237	3,006	5,533	7,338	(773)	5,357	4,694	2,467	4,255	19,319	61,045	64,097	67,302
Vote 10 - WASTE MANAGEMENT		187	167	166	168	167	167	167	164	162	162	163	149	1,991	2,090	2,195
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		<b>55,046</b>	<b>7,203</b>	<b>4,388</b>	<b>3,983</b>	<b>36,840</b>	<b>8,283</b>	<b>335</b>	<b>6,813</b>	<b>28,232</b>	<b>3,141</b>	<b>5,690</b>	<b>20,418</b>	<b>180,372</b>	<b>189,390</b>	<b>198,860</b>
<b>Expenditure by Vote to be appropriated</b>	-															
Vote 1 - Executive and Council		1,220	1,628	1,754	1,774	2,492	1,684	2,117	1,688	1,537	3,234	1,716	1,770	22,614	23,745	24,932
Vote 2 - BUDGET AND TREASURY		948	1,235	7,446	1,094	1,710	4,875	2,516	942	1,053	1,106	2,160	12,441	37,525	39,402	41,372
Vote 3 - CORPORATE SERVICES		77	1,623	2,711	2,813	2,246	1,998	1,511	1,290	1,214	585	258	5,088	21,414	22,485	23,609
Vote 4 - COMMUNITY AND SOCIAL SERVICES		491	457	1,166	(2,083)	3,565	(2,900)	4,290	1,150	562	458	1,115	851	9,123	9,579	10,058
Vote 5 - SPORTS AND RECREATION / PARKS		2	36	32	26	152	77	30	12	183	104	13	4	672	705	740
Vote 6 - PUBLIC SAFETY		799	878	976	1,063	1,555	958	1,057	1,045	913	868	915	1,011	12,039	12,641	13,273
Vote 7 - HOUSING		82	88	102	96	187	97	101	93	89	91	67	88	1,181	1,240	1,302
Vote 8 - PLANNING AND DEVELOPMENT		427	306	397	478	848	(523)	538	(636)	553	462	457	4,004	7,311	7,677	8,060
Vote 9 - ROADS TRANSPORT		1,423	897	1,119	1,022	1,528	1,213	1,156	1,326	1,018	1,272	981	1,358	14,313	15,028	15,780
Vote 10 - WASTE MANAGEMENT		530	619	768	858	1,079	672	678	849	661	574	629	588	8,505	8,931	9,377
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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Vote 13 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure by Vote</b>		5,999	7,767	16,472	7,142	15,362	8,149	13,995	7,759	7,783	8,754	8,310	27,203	134,696	141,431	148,503
<b>Surplus/(Deficit) before assoc.</b>		49,047	(565)	(12,084)	(3,159)	21,478	134	(13,660)	(946)	20,449	(5,614)	(2,620)	(6,785)	45,675	47,959	50,357
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>	<b>49,047</b>	<b>(565)</b>	<b>(12,084)</b>	<b>(3,159)</b>	<b>21,478</b>	<b>134</b>	<b>(13,660)</b>	<b>(946)</b>	<b>20,449</b>	<b>(5,614)</b>	<b>(2,620)</b>	<b>(6,785)</b>	<b>45,675</b>	<b>47,959</b>	<b>50,357</b>



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**3. KZN434 UBUHLEBEZWE - SUPPORTING TABLE SB16 ADJUSTMENT OF MONTHLY CAPITAL EXPENDITURE PER MUNICIPAL VOTE**

Choose name from list - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2016/17												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Executive and Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - BUDGET AND TREASURY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY AND SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - SPORTS AND RECREATION / PARKS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - ROADS TRANSPORT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>																	
Vote 1 - Executive and Council		900	-	-	-	-	-	-	-	-	-	-	-	900	945	992	
Vote 2 - BUDGET AND TREASURY		350	-	-	-	-	-	-	-	-	-	-	-	350	368	386	
Vote 3 - CORPORATE SERVICES		1,020	-	-	-	-	-	-	-	-	-	-	-	1,020	1,071	1,125	
Vote 4 - COMMUNITY AND SOCIAL SERVICES		12,569	208	-	-	-	250	5,147	-	-	-	-	-	18,174	19,082	20,036	
Vote 5 - SPORTS AND RECREATION / PARKS		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 6 - PUBLIC SAFETY		-	-	-	-	-	1,000	-	-	-	-	-	-	1,000	1,050	1,103	
Vote 7 - HOUSING		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 8 - PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



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Vote 9 - ROADS TRANSPORT		38,309	-	-	-	1,503	3,427	1,229	-	-	-	-	-	44,469	46,692	49,027
Vote 10 - WASTE MANAGEMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 - 0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	<b>53,148</b>	<b>208</b>	-	-	<b>1,503</b>	<b>4,677</b>	<b>6,376</b>	-	-	-	-	-	<b>65,912</b>	<b>69,208</b>	<b>72,668</b>
<b>Total Capital Expenditure</b>	2	<b>53,148</b>	<b>208</b>	-	-	<b>1,503</b>	<b>4,677</b>	<b>6,376</b>	-	-	-	-	-	<b>65,912</b>	<b>69,208</b>	<b>72,668</b>



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**4. KZN434 UBUHLEBEZWE - SUPPORTING TABLE Sb4 ADJUSTMENT TO PERFORMANCE INDICATORS AND BENCHMARKS OF THE OPERATING BUDGET**

Choose name from list - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b><u>Borrowing Management</u></b>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	-0.1%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	-0.5%	1.6%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	204.0%	121.5%	16.8%	130.7%	130.7%	130.7%	0.0%	16.8%	16.8%	16.8%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	2.7	3.8	4.0	11.2	4.3	11.2	-	4.9	4.9	4.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	2.7	3.8	4.0	11.2	4.3	11.2	-	4.9	4.9	4.9
Liquidity Ratio	Monetary Assets/Current Liabilities	2.5	3.3	3.4	9.2	3.7	9.2	-	4.3	4.3	4.3
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		99.9%	100.0%	100.0%	81.0%	163.7%	47.7%	47.7%	252.0%	252.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		99.9%	100.0%	100.0%	81.0%	163.7%	47.7%	47.7%	252.0%	252.0%	252.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.4%	7.3%	8.9%	8.9%	8.8%	7.9%	0.0%	7.7%	7.7%	7.7%



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Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))										
Creditors to Cash and Investments		20.3%	14.4%	17.5%	9.9%	26.5%	-25.1%	0.0%	11.7%	8.7%	7.0%
<b>Other Indicators</b>											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	0.0%	0.0%	31.7%	45.3%	47.0%	39.9%	0.0%	49.6%	49.6%	49.6%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	42.8%	42.8%	43.0%	55.7%	0.0%	0.0%		57.7%	57.7%	57.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	2.2%	2.9%	2.2%	3.8%	3.7%	1.0%		2.5%	2.5%	2.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.1%	13.4%	15.7%	16.0%	15.7%	14.1%	10.0%	15.6%	15.6%	15.6%
<b>IDP regulation financial viability indicators</b>	-										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	4.3	3.9	8.5	4.5	4.5	4.5	5.6	3.7	3.7	3.9



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ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	62.0%	45.4%	64.6%	65.7%	65.7%	38.2%	0.0%	51.8%	51.8%	51.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	32.7	41.3	15.9	6.5	8.0	(2.7)	(1.3)	11.0	15.9	19.8





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**5. QUARTERLY PROJECTIONS OF SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOR EACH VOTE**

The quarterly targets and quarterly projections of expenditure schedule is attached as annexure to this SDBIP.



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**6. WARD INFORMATION**

Expenditure and Service Delivery per Ward is included in Section 5 of this report.

<b>WARD 1</b>	<b>WARD 2</b>	<b>WARD 3</b>	<b>WARD 4</b>	<b>WARD 5</b>	<b>WARD 6</b>
1. Mahhehle	1. Ixopo Town	1. Mpofini	1. Mariathal	1. Emkhunya	1. Hlokozi
2. Ncakubana	2. Hopewell	2. Sgedleni	2. Hlanzeni	2. Embo	2. Ngomakazi
3. Mahhafana	3. Carrisbrook	3. Nonkwenkwane	3. Fairview	3. Isangcwaba	3. Gudlucingo
4. Cabazi		4. Bhensela	4. Emakholweni	4. Zasengwa	
		5. Mahlathi	1. Emandilini	5. Emqanqala	
		6. Mashakeni	5. Spreza	6. Ebhobhozi	
		7. Chibini		7. Emnyanyabuzi	



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<b>WARD 7</b>	<b>WARD 8</b>	<b>WARD 9</b>	<b>WARD 10</b>	<b>WARD 11</b>	<b>WARD 12</b>
1. Jolivet	1. Hluthankungu	1. Highflats	1. Umhlabashane	1. Kwanokweja	1. Emazabekweni
2. Ndonyane	2. Flasher	2. Kozondi	2. Kwathathane	2. Etop	2. Bovini / Emadungeni
3. Njane	3. Gudwini	3. Springvalle Mission	3. Kamashumi	3. Eplain Hill	3. Emgodi / Skeyi
4. Emgangeni	4. Esgcakini	4. Koshange	4. Black Store	4. St. Alois	4. Emdabu
		5. Kokhoza	5. Emgodi / Embambalala	5. Kadladla	5. Kwamagaba
		6. Nhlamvini	6. Kwanokwena	6. Afrika	6. Kwantambama
		7. Ethuleshe / Ehholo		7. Ka2000	7. Emaweni
		8. Kaskhunyanana / Koshinga			



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**7. DETAILED CAPITAL WORKS PLAN**

SDBIP/ DP NO.	WAR D	NAME OF THE PROJECT 2016/2017	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL BUDGET
IPD09	2	Jeffrey Zungu Sportfield – ph 2	Construction commencement - 10% completion by 30-Sep-16	Construction in progress - 60% completion by 31-Dec-16	Construction in progress - 100% completion by 31-Mar-17	n/a	
IPD08	2	Portion of East Street-ph2	Construction in progress - 100% completion by 30-Sep-16	n/a	n/a	n/a	
IPD10	2	Ixopo Bus Rank	Construction in progress - 100% completion by 30-Sep-16	n/a	n/a	n/a	
IPD18	3	<b>Electrification &amp; Housing (Ofafa)</b>	100% completion by 30-Sep-16	n/a	n/a	n/a	
IPD05	4	Morningside Hall (Soweto) – ph2	Construction in progress - 100% completion (Phase 1 of Morningside Soweto hall-) by 30-Sep-16	n/a	n/a	n/a	
IPD19	5	<b>Electrification (Mkhunya) – Ph 1</b>	15% completion by 30-Sep-16	45% completion by 31-Dec-16	60% completion by 31-Mar-17	80% completion by 30-Jun-17	
IPD20		<b>Electrification (Mkhunya) – Ph 2</b>	75% completion by 30-Sep-16	100% completion of electrification by 31-Dec16	n/a	n/a	
IPD03	6	Msenge Road	Construction commencement - 5% completion by 31-Dec-16	Construction in progress - 30% completion by 31-Dec-16	100% of new Gravel roads constructed by 31-Mar-17	n/a	
IPD09	7	Upgrade of Jolivet Sportfield – Phase 2	Construction commencement - 10% completion by 30-Sep-16	Construction in progress - 60% completion by 31-Dec-16	Construction in progress - 100% completion by 31-Mar-17	n/a	
IPD06	8	Madungeni Hall	n/a	Construction commencement -	Construction in	100% completion of	



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SDBIP/ DP NO.	WAR D	NAME OF THE PROJECT 2016/2017	Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL BUDGET
				30% completion by 31-Dec-16	progress - 90% completion by 31- Mar-17	a community hall constructed (Madungeni) by 30-Jun-17	
IPD07	9	Kintail Hall	Signing of requisition by 30-Sep-16	n/a	Construction commencement - 35% completion by 31-Mar-16	100% completion of a community hall constructed (Kintail) by 30-Jun-17	
IPD03	11	Mxolisi Ngubo Rd	Construction commencement - 5% completion by 31-Dec-16	Construction in progress - 30% completion by 31- Dec-16	100% of new Gravel roads constructed by 31- Mar-17	n/a	
IPD03	12	Nomakhele Road	Construction commencement - 5% completion by 31-Dec-16	Construction in progress - 30% completion by 31- Dec-16	100% of new Gravel roads constructed by 31- Mar-17	n/a	
IPD03	13	Thuleshe Road	Construction commencement - 5% completion by 31-Dec-16	Construction in progress - 30% completion by 31- Dec-16	100% of new Gravel roads constructed by 31- Mar-17	n/a	
		-	-	-			



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**8. DETAILED CAPITAL WORKS PLAN (THREE - FIVE YEARS)**

WARD	NAME OF THE PROJECT 2016/2017	ORIGINAL BUDGET TOTAL 2016/2017 R	NAME OF THE PROJECT 2017/2018	NAME OF THE PROJECT 2018/2019	NAME OF THE PROJECT 2019/2020	NAME OF THE PROJECT 2020/2021
1			Harold Nxasane Road	Sdungeni Road	Mdu Miya Sportfield	
2	Jeffrey Zungu Sportfield – ph 2		Jeffrey Zungu Sportfield – ph 3	Sandile Dlokodla Dlamini Sportfield	Hopewell to Carrisbrook road	Nyide residence road-Carrisbrook
2	Portion of East Street-ph2					
2	Ixopo Bus Rank					
2			Chapel Street			
3	<b>Electrification &amp; Housing (Ofafa)</b>		Msingatheni Hlabisa Combo Court	Sgedleni Hall	Sheshe Sports Field	Zwangaye Nene road
4	Morningside Hall (Soweto) – ph2			Fairview Roads	Mandili hall	Shezlop road
5	<b>Electrification (Mkhunya) – Ph 1</b>		Sprenza Road			
5	<b>Electrification (Mkhunya) – Ph 2</b>		Butateni road	Bonizwe hall	Nkweletsheni Sportfield	Sqandulweni sports field
6	Msenge Road					
6			Pass 4 Phungula Sportfield	Multipurpose hall	Mapo road	
7	Upgrade of Jolivet Sportfield – Phase 2		Mkhwanazi road	Masangweni sports field	Shelembe road	Masomini road
8	Madungeni Hall		Xolani Vezi sports field	Upgrade of kwashiyabanye sports field	Nhlewukeni hall	Khambule road
9	Kintail Hall		Sikhosiphi Dlamini Sportfield	Skhunyanana Road		
10			Mncadi road	Nxele Road	Nyuluka Road	
11	Mxolisi Ngubo Rd		Kwa dladla sports field	Nokweja sports field	Plainhill hall	Ntombilezi road
12	Nomakhele Road	Mazabeko Hall	Mdabu Sports field	Mgodi Skeyi hall road	Madlenja extension road	



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WARD	NAME OF THE PROJECT 2016/2017	ORIGINAL BUDGET TOTAL 2016/2017 R	NAME OF THE PROJECT 2017/2018	NAME OF THE PROJECT 2018/2019	NAME OF THE PROJECT 2019/2020	NAME OF THE PROJECT 2020/2021
13	Thuleshe Road					
14						
	-	<b>R 56 951 059.90</b>	-	-		



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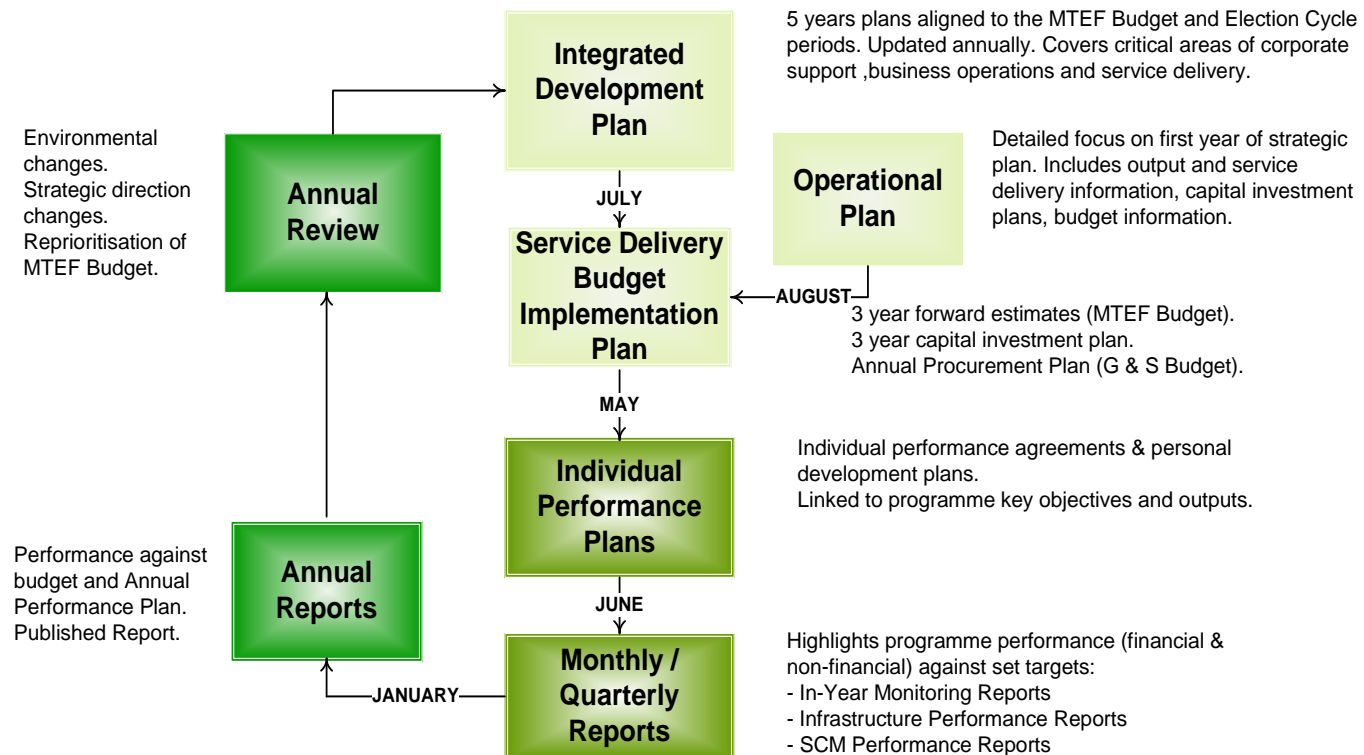
## CONCLUSION

A series of reporting requirements are outlined in the MFMA. Both the Mayor and the Accounting Officer have clear roles to play in preparing and presenting these reports. The SDBIP provides an excellent basis for generating the reports, for which the MFMA gives very clear guidelines. The reports then allow the Councillors to monitor the implementation of service delivery programmes and initiatives. The following planning and reporting cycle has been fully implemented at uBuhlebezwe Municipality.





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**Figure 2: Planning & Reporting Cycle**



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## **7.1 Monthly Reporting**

Section 71 of the MFMA stipulates that reporting on actual revenue targets and spending against the budget should occur on a monthly basis. This reporting must be conducted by the accounting officer of a municipality no later than 10 days after the last working day of each month. Reporting must include the following:

- a. Actual revenue per source;
- b. Actual borrowings;
- c. Actual expenditure per vote;
- d. Actual capital expenditure per vote; and
- e. The amount of any allocations received.

If necessary, explanations of the following must be included in the monthly reports:

- a. Any material variances from the Municipality's projected revenue by source, and from the Municipality's expenditure projections per vote;
- b. Any material variances from the service delivery and budget implementation plan; and
- c. Any remedial or corrective steps taken or to be taken to ensure that the projected revenue and expenditure remain within the Municipality's approved budget.

## **7.2 Quarterly Reporting**

Section 52 (d) of the MFMA compels the Mayor to submit a report to the Council on the implementation of the budget and the financial state of affairs of the Municipality within 30 days of the end of each quarter. The quarterly performance projections captured in the SDBIP form the basis for the Mayor's quarterly report.



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### **7.3 Midyear Reporting**

Section 72 (1) (a) of the MFMA outlines the requirements for mid-year reporting. The Accounting Officer is required by the 25<sup>th</sup> of January of each year to assess the performance of the Municipality during the first half of the year, taking into account:

- i. The monthly statements referred to in section 71 for the first half of the year;
- ii. The Municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan;
- iii. The past year's annual report, and progress on resolving problems identified in the annual report; and
- iv. The performance of every Municipal Entity under the sole or shared control of the Municipality, taking into account reports in terms of section 88 of the MFMA from any such entities

Based on the outcomes of the mid-year budget and performance assessment report, an adjustments budget may be tabled if actual revenue or expenditure amounts are materially different from the projections contained in the budget or the SDBIP. The SDBIP is also a living document and may be modified based on the mid-year performance review. Thus the SDBIP remains a kind of contract that holds the Municipality accountable to the community.

### **7.4 Recommendations for SDBIP Process**

The implementation of an automated business solution will enhance the completeness and quality of information presented in future SDBIP's.